



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Montana State Office

5001 Southgate Drive, P.O. Box 36800

Billings, Montana 59107-6800

<http://www.mt.blm.gov/>

MTM 91946

### **Notice of Competitive Lease Sale Oil and Gas September 24, 2002**

The Montana State Office is holding a competitive oral sale of Federal lands in the States of Montana and North Dakota for oil and gas leasing. We are attaching a list that includes the parcel numbers, legal land descriptions and corresponding stipulations. The list is available on the Internet at:

<http://www.mt.blm.gov/oilgas>. If the site is not accessible, you may request a paper copy from our Information Access Center by calling (406) 896-5004 between the hours of 9:00 a.m. and 4:00 p.m.

#### **When and where will the sale take place?**

**When:** The competitive sale begins at 9:00 a.m. on Tuesday, September 24, 2002. The sale room opens at 8:00 a.m. for registration and assignment of bidder numbers.

**Where:** We will hold the sale at the Bureau of Land Management, Montana State Office, 5001 Southgate Drive, Billings, Montana. Parking is available.

**Access:** The sale room is accessible to persons with disabilities. If you need a sign language interpreter or materials in an alternate format, please tell us no later than one week before the sale. You may contact Elaine Kaufman at (406) 896-5108 or Joan Seibert at (406) 896-5093.

#### **How do I register as a bidder?**

Before the sale starts, you must complete a bidder registration form to obtain a bidding number. The forms are available at the registration desk.

#### **What is the sale process?**

Starting at 9:00 a.m. on the day of the sale:

- \$ the auctioneer offers the parcels in the order they are shown on the attached list;
- \$ registered bidders make oral bids on a per-acre basis for all acres in a parcel;
- \$ the winning bid is the highest oral bid equal to or exceeding the minimum \$2.00 bid;
- \$ the decision of the auctioneer is final; and
- \$ names of high bidders (lessees) remain confidential until the results list is available.

If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.48 acres requires a minimum bid of \$202 (101 acres x \$2).

If the United States owns less than 100 percent of the oil and gas rights in a

parcel, we will issue the lease for the percentage of interest the United States owns. You must calculate your bid and advance rental payment on the gross acreage in the parcel. For example, if the U.S. owns 50 percent of the oil and gas in a 100.48 acre parcel, the minimum bid is \$202 (101 acres x \$2) and the advance rental due is \$151.50 (101 acres x \$1.50).

**What conditions apply to the lease sale?**

**\$ Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw parcels or cancel a sale, we will post a notice in the Montana State Public Records and Information Center and announce the withdrawn parcels at the sale.

**\$ Lease terms:** Leases issue for a primary term of 10 years. They continue beyond the primary term as long as the lease is producing in paying quantities or receiving production from another source. Rental is \$1.50 per acre for the first 5 years (\$2 per acre after that) until production begins. Once a lease is producing, we charge a royalty of 12.5 percent on the production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later edition).

**\$ Stipulations:** Some parcels are subject to surface use restrictions or conditions affecting how you conduct operations on the lands. The stipulations become part of the lease and replace any inconsistent provisions of the lease form.

**\$ Bid form:** On the day of the sale, successful bidders must submit a properly completed lease bid form (Form 3000-2, October 1989 or later edition) along with their payment. The bid form is a legally binding offer to accept a lease and all its terms and conditions. When the prospective lessee or an authorized representative signs the bid form, they certify the lessee meets the conditions of 43 CFR 3102.5-2 and complies with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of bidders, and collusion among bidders. You cannot withdraw your bid.

**\$ Payment:**

**\$ minimum due by 4:00 p.m. on day of sale:**

Bonus bid deposit of \$2.00 per acre or fraction thereof;  
First year's rent of \$1.50 per acre or fraction thereof except for future interest parcels; and \$75 non-refundable administrative fee

**\$ remaining balance due by 4:00 p.m. on October 8, 2002.**

If you don't pay in full by this date, you lose the right to the lease and all the money you paid the day of the sale. We may offer the parcel in a future sale.

**\$ Method of payment:** You can pay by:

- \$ personal check;
- \$ certified check;
- \$ money order; or
- \$ credit card (Visa, Mastercard, American Express or Discover).

Make checks payable to: **Department of the Interior-BLM.** We do not accept cash. If you previously paid us with a check backed by insufficient funds, we will require a guaranteed payment, such as a certified check.

**\$ Lease issuance:** After we receive the bid forms and all monies due, we can issue the lease. The lease effective date is the first day of the month following the month we sign it. We can make the lease effective the first day of the month in which we sign it, if you ask us in writing before we sign the lease.

**How can I find out the results of this sale?**

We post the sale results in the Montana State Office Public Room and the Internet at: <http://www.mt.blm.gov/oilgas>. You can buy a \$5/\$10 printed copy of the results list from the Public Records and Information Access Center.

**How do I file a noncompetitive offer after the sale?**

Lands that do not receive a bid and are not subject to a pre-sale offer are available for a two-year period beginning the day after the sale. To file a noncompetitive offer, you must submit:

- \$ three copies of standard lease form (Form 3100-11, June 1988 or later edition) with lands described as specified in our regulations at 43 CFR 3110.5;

- \$ \$75 non-refundable administrative fee; and

- \$ first year's advance rental (\$1.50 per acre or fraction thereof)

Place offers filed on the day of the sale and the first business day after the sale in the drop box in the Public Records and Information Center. We consider those offers simultaneously filed. When a parcel receives more than one filing by 4 p.m. on the day after the sale, we will hold a drawing to determine the winner. Offers filed after this time period, receive priority according to the date and time of filing in this office.

**How do I file a noncompetitive pre-sale offer?**

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive pre-sale offer for lands that:

- \$ are available; and

- \$ have not been under lease during the previous one-year period; or

- \$ have not been in a competitive lease sale within the previous two-year period.

Once we post a competitive sale notice, you cannot file a pre-sale offer for lands shown on the notice.

To file a pre-sale offer, you must submit:

- \$ three copies of standard lease form (Form 3100-11, June 1988 or later edition) with lands described as specified in our regulations at 43 CFR 3110.5;

- \$ \$75 non-refundable administrative fee; and

- \$ first year's advance rental (\$1.50 per acre or fraction thereof)

If we don't receive a bid at the sale for the parcel(s) contained in your pre-sale offer, we will issue the lease. You can withdraw your offer prior to the date we sign your lease. Your pre-sale offer is your consent to the terms and conditions of the lease, including any additional stipulations advertised in the Competitive Sale Notice.

**Where can I obtain information pertaining to the individual Forest Service Stipulations?**

The applicable Forest Service Environmental Impact Studies (EIS) describe stipulations for parcels located within the administrative boundary of the Forest Service units. The Geographic Information System (GIS) maps of the stipulations may be viewed at the following Forest Service offices:

- \$ The individual District Ranger=s Office identified in the stipulation listing included with this sale notice,  
or
- \$ The individual Forest Supervisor=s Office identified in the stipulation listing included with this sale notice,  
or
- \$ Forest Service, Region One Office, 200 East Broadway, Missoula, Montana

**How do I nominate lands for future sales?**

- \$ file a letter with this office describing the lands you want put up for sale;
- \$ file a pre-sale offer

**Who should I contact if I have a question?**

For more information, contact Trish Cook at (406) 896-5110.

**When is the next competitive oil and gas lease sale scheduled in Montana?**

We are tentatively holding our next competitive sale on Tuesday, November 26, 2002.

Karen L. Johnson, Chief  
Fluids Adjudication Section

**OFFICIAL POSTING DATE MUST BE ON OR BEFORE AUGUST 9, 2002**

The official posting date will be noted on the copy posted in the Information Access Center of the Bureau of Land Management, Billings, Montana.

## **PUBLIC NOTICE**

Any noncompetitive offers received for lands that are listed on the Notice from the time the list is officially posted in the Montana State Office Public Room until the first business day following the completion of the sale will be rejected as unavailable for filing as per 43 CFR 3110.1(a)(ii).

THE FOLLOWING NOTICE WILL BE ATTACHED TO ALL ISSUED LEASES

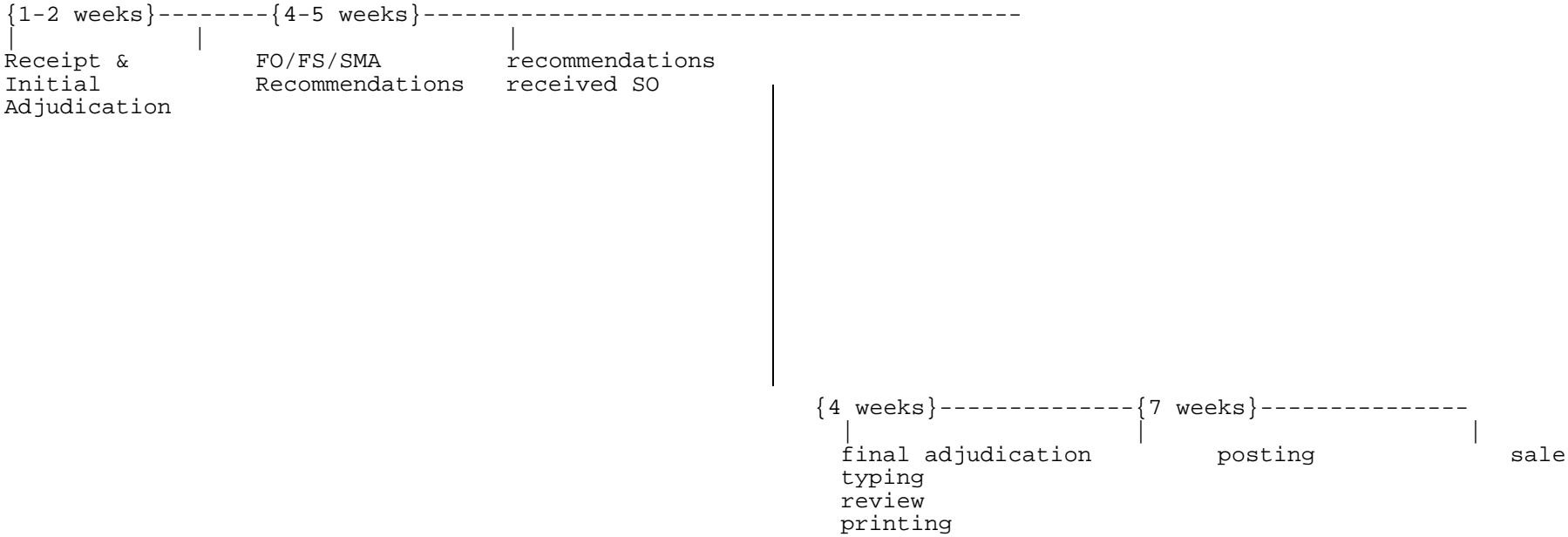
NOTICE TO LESSEE

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments Act of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A) or (2) because of a denial or disapproval by a State Office of a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

**TIMELINE TO PROCESS EXPRESSIONS OF INTEREST (EOI)  
OR PRESALE OFFERS**



**Total time required to process EOI/Offer  
4-5 months {16-18 weeks}**

SMA-Surface Management Agency  
ie: Forest Service, Bureau of Reclamation  
FO-BLM Field Office FS-BLM Field Station  
SO-Montana State Office

ALL LANDS ARE LISTED IN TOWNSHIP AND RANGE ORDER

**MONTANA**

**09-02-01** ACQ  
T. 37 N, R. 18 E, PMM, MT  
sec. 10 S2;  
Blaine 320.00 AC  
Stipulation: Standard

**09-02-02** ACQ  
T. 37 N, R. 18 E, PMM, MT  
sec. 12 E2;  
13 W2SW;  
Blaine 400.00 AC  
Stipulation: Standard

**09-02-03** PD  
T. 1 N, R. 24 E, PMM, MT  
sec. 4 LOTS 1,2,3,4;  
Yellowstone 162.44 AC  
Stipulation: CSU-1

**09-02-04** PD  
T. 2 N, R. 24 E, PMM, MT  
sec. 24 NWSW;  
Yellowstone 40.00 AC  
Stipulations: CSU-1, Lease  
Notice-1

**09-02-05** PD  
T. 2 N, R. 25 E, PMM, MT  
sec. 28 NENW;  
Yellowstone 40.00 AC  
Stipulations: Timing-1,2

**09-02-06** ACQ  
T. 2 N, R. 26 E, PMM, MT  
sec. 3 S2;  
Yellowstone 320.00 AC  
**50% U.S. MINERAL INTEREST**  
Stipulations: Notice to Lessee,  
Timing-2  
**Future Interest Lease.**  
**50% of oil, gas and coal vests**  
**January 21, 2005.**

**09-02-07** ACQ  
T. 2 N, R. 26 E, PMM, MT  
sec. 8 NE,SW;  
10 NE;  
Yellowstone 480.00 AC  
Stipulations: NSO-1, Timing-2

**09-02-08** PD  
T. 2 N, R. 26 E, PMM, MT  
sec. 14 N2NE;  
22 SWSW;  
Yellowstone 120.00 AC  
Stipulations: Timing-1,2

**09-02-09** PD  
T. 13 N, R. 30 E, PMM, MT  
sec. 10 S2NE,W2NW,NWSW,N2SE,  
SESE;  
12 N2;  
14 N2N2,SWNW,SWSW,S2SE;  
22 E2NE,SESE;  
24 E2;  
Garfield 1400.00 AC  
Stipulations: CSU-1, Lease  
Notice-2, Timing-1,2

**09-02-10** PD  
T. 13 N, R. 30 E, PMM, MT  
sec. 26 N2,SE;  
Garfield 480.00 AC  
Stipulations: CSU-2, Timing-1

**09-02-11** PD  
**PreSale Offer: MTM 91958**  
T. 30 N, R. 34 E, PMM, MT  
sec. 1 LOTS 1-14 INCL;  
1 SW,W2SE;  
Valley 738.31 AC  
Stipulation: Standard

**09-02-12** PD  
**PreSale Offer: MTM 91959**  
T. 30 N, R. 35 E, PMM, MT  
sec. 1 LOTS 1-14 INCL;  
1 SW,W2SE;  
2 LOTS 1-14 INCL;  
2 E2SW,SE;  
3 LOTS 1-14 INCL;  
3 N2SW,W2SE;  
Valley 2212.69 AC  
Stipulation: Standard



**09-02-13** PD  
**PreSale Offer: MTM 91711**  
T. 30 N, R. 35 E, PMM, MT  
sec. 4 LOTS 1-12 INCL;  
4  
SW,N2SE;  
5  
LOTS 1-12 INCL;  
5 S2;  
6 LOTS 1-14  
INCL;  
6 E2SW,SE;  
Valley  
2276.66 AC  
Stipulation: Standard

**09-02-14** PD  
T. 35 N, R. 35 E, PMM, MT  
sec. 1 LOTS 3,4;  
1 S2NW,SW,S2SE;  
2 LOTS 1,2,3,4;  
2 S2N2,S2;  
3 LOT 2;  
3 SW;  
10 S2;  
11 NE,N2NW,E2SE;  
14 NE,N2NW,N2SE;  
15 N2NE;  
Valley 2280.77 AC  
Stipulation: Standard

**09-02-15** ACQ  
T. 35 N, R. 35 E, PMM, MT  
sec. 3 LOTS 3,4;  
3 S2NW;  
11 S2NW,SW,W2SE;  
13 ALL;  
14 S2NW,SW,S2SE;  
15 S2NE,SESW,NESE,S2SE;  
Valley 1679.91 AC  
Stipulation: Standard

**09-02-16** PD  
T. 7 N, R. 37 E, PMM, MT  
sec. 2 LOTS 1,2,3,4;  
2 S2N2,S2;  
6 LOTS 4,5,6,7,10;  
6 SWNE,W2SE;  
12 S2;  
Treasure 1277.80 AC  
Stipulations: Lease Notice-3,  
Timing-2

**09-02-17** PD  
T. 7 N, R. 37 E, PMM, MT  
sec. 20 S2N2,N2S2;  
22 E2;  
24 S2;  
26 N2NE,SENE,NENW;  
Treasure 1120.00 AC  
Stipulations: Lease Notice-3,  
NSO-2

**09-02-18** PD  
T. 35 N, R. 38 E, PMM, MT  
sec. 1 LOTS 1,2;  
1 S2NE,SENE,SE;  
11 N2SE;  
12 NE,N2SE,SESE;  
14 NWSW;  
15 N2SE;  
Valley 839.90 AC  
Stipulation: Standard

**09-02-19** PD  
T. 35 N, R. 38 E, PMM, MT  
sec. 3 LOTS 1,2,3,4;  
3 S2N2,S2;  
4 LOTS 1,2,3,4;  
4 N2SW,SE;  
9 N2NE,SWNE,NW,E2SW;  
10 NWNW;  
Valley 1437.68 AC  
Stipulation: Standard

**09-02-20** ACQ  
T. 35 N, R. 38 E, PMM, MT  
sec. 4 S2N2,S2SW;  
5 LOTS 1,2;  
5 S2NE,S2;  
6 LOTS 3,4,7;  
6 SENW,E2SW;  
8 NE,E2NW;  
Valley 1200.20 AC  
Stipulation: Standard

**09-02-21** PD  
T. 35 N, R. 38 E, PMM, MT  
sec. 6 LOTS 5,6;  
8 W2W2;  
18 LOTS 1,2;  
18 E2NW;  
19 LOT 3;  
Valley 442.36 AC  
Stipulation: Standard

**09-02-22** ACQ  
T. 35 N, R. 38 E, PMM, MT  
sec. 7 LOTS 3,4;  
7 E2SW,SE;  
17 NW,N2SW,SWSW;  
18 LOTS 3,4;  
18 E2,E2SW;  
19 NE;

Valley 1241.51 AC  
Stipulation: Standard

**09-02-23** PD  
T. 36 N, R. 38 E, PMM, MT  
sec. 19 LOTS 1,2,3,4;  
19 NE,E2NW,NESW;  
20 N2;  
21 N2,NESW,SE;

Valley 1282.20 AC  
Stipulation: Standard

**09-02-24** ACQ  
T. 36 N, R. 38 E, PMM, MT  
sec. 19 SESW,SE;  
20 S2;  
21 NWSW,S2SW;  
28 NWNW,S2S2;  
29 N2NE,NENW;  
30 W2NE,NWSE;

Valley 1080.00 AC  
Stipulation: Standard

**09-02-25** PD  
T. 36 N, R. 38 E, PMM, MT  
sec. 28 NE,NENW,S2NW,N2S2;  
29 NWNW,S2N2,S2;  
30 LOTS 1,2,3,4;  
30 E2E2,E2W2,SWSE;

Valley 1483.28 AC  
Stipulation: Standard

**09-02-26** ACQ  
T. 36 N, R. 38 E, PMM, MT  
sec. 31 LOTS 1,2,3,4;  
32 E2;  
33 ALL;

Valley 1123.60 AC  
Stipulation: Standard

**09-02-27** PD  
T. 36 N, R. 38 E, PMM, MT  
sec. 31 E2,E2W2;  
32 NW;

Valley 640.00 AC  
Stipulation: Standard

**09-02-28** PD  
T. 34 N, R. 46 E, PMM, MT  
sec. 7 LOTS 3,4;  
Daniels 74.69 AC  
Stipulation: Lease Notice-2

**09-02-29** PD  
T. 22 N, R. 54 E, PMM, MT  
sec. 28 NE,NENW,S2NW,S2;  
30 LOT 1;  
34 W2NE;

Richland 718.44 AC  
Stipulations: CSU-1, NSO-2,  
Timing-1

**09-02-30** ACQ  
T. 21 N, R. 55 E, PMM, MT  
sec. 18 LOTS 1,2;  
18 NE,E2NW;

Dawson 318.07 AC  
**50% U.S. MINERAL INTEREST**

**09-02-31** PD  
T. 14 N, R. 56 E, PMM, MT  
sec. 10 ALL;  
12 ALL;

Dawson 1280.00 AC  
Stipulations: CSU-1, Lease  
Notice-3, Timing-1

**09-02-32** PD  
T. 14 N, R. 56 E, PMM, MT  
sec. 14 ALL;  
24 NWNE,NENW,W2W2,NESW;

Dawson 920.00 AC  
Stipulations: CSU-1, Lease  
Notice-3, Timing-1

**09-02-33** PD  
T. 15 N, R. 56 E, PMM, MT  
sec. 26 S2;  
34 ALL;

Dawson 960.00 AC  
Stipulations: CSU-1,2, Lease  
Notice-2,3, NSO-2, Timing-1

**09-02-34** PD  
T. 14 N, R. 57 E, PMM, MT  
sec. 6 LOTS 1,2,6,7;  
6 S2NE,E2SE;

Dawson 340.15 AC  
Stipulations: CSU-1, Lease  
Notice-3, Timing-1

**09-02-35** PD

T. 15 N, R. 57 E, PMM, MT  
 sec. 18 LOTS 1,2,3,4;  
 18 E2,E2W2;  
 20 ALL;  
 30 LOTS 2,3,4;  
 30 E2SW,W2SE,SESE;

Dawson 1656.06 AC

Stipulations: CSU-1, Lease

Notice-3, NSO-2, Timing-1

**09-02-36** PD

T. 15 N, R. 57 E, PMM, MT

sec. 26 S2;

28 ALL;

34 ALL;

Dawson 1600.00 AC

Stipulations: CSU-1, Lease

Notice-3, Timing-1

**09-02-37** PD

T. 20 N, R. 5 W, PMM, MT

sec. 18 E2NE;

Lewis & Clark 80.00 AC

Stipulation: Standard

**09-02-38** PD

T. 21 N, R. 6 W, PMM, MT

sec. 3 S2N2,N2S2;

4 SWSW,N2SE;

5 SWNE,NESW,NWSE,S2SE;

8 SENW;

9 W2NW,SESW,S2SE;

T. 22 N, R. 6 W, PMM, MT

sec. 30 LOTS 3,4;

32 NESW,S2SW,W2SE;

T. 22 N, R. 7 W, PMM, MT

sec. 13 N2SW;

14 N2;

24 NENE;

25 NE,W2SW,E2SE;

26 NWNE,S2NE,NW,S2;

Teton 2511.64 AC

Stipulations: Standard, BOR

GP-135, Form 3109-1

**09-02-39** PD

T. 21 N, R. 6 W, PMM, MT

sec. 7 LOTS 1,2;

7 SENW;

T. 22 N, R. 6 W, PMM, MT

sec. 31 S2NE,E2NW,SE;

T. 21 N, R. 7 W, PMM, MT

sec. 1 SW,SESE;

11 E2NE,SESW,SE;

12 NENE,S2NE,NW,NWSW,  
S2SW;

13 NWNE,S2NE,NW;

14 NWNW,S2NW,NESW,S2SW;

T. 22 N, R. 7 W, PMM, MT

sec. 35 N2,N2SE;

Lewis & Clark 1518.97 AC

Teton 720.00 AC

Stipulations: Standard, BOR

GP-135, Form 3109-1, Form 3730-1

**09-02-40** PD

T. 21 N, R. 6 W, PMM, MT

sec. 14 W2SE;

15 W2;

18 LOTS 2,3;

18 NESW;

19 LOTS 1,2,3,4;

19 SWNE,E2W2,W2SE;

21 NWNE,E2NW;

22 W2E2;

26 NENE;

30 LOTS 1,2,3;

30 NWNE,E2NW,NESW,E2SE;

Lewis & Clark 918.25 AC

Teton 720.00 AC

Stipulations: Standard, BOR

GP-135, Form 3109-1

**09-02-41** ACQ

T. 21 N, R. 6 W, PMM, MT

sec. 18 LOT 4;

18 SESW,SWSE;

19 NWNE,E2SE;

30 LOT 4;

30 NENE,S2NE,SESW,W2SE;

Lewis & Clark 519.83 AC

Stipulations: Standard, BOR

GP-135, Form 3109-1

**09-02-42** PD

T. 9 S, R. 22 E, PMM, MT

sec. 34 E2NE;

35 N2;

Carbon 400.00 AC

Stipulations: CSU-1, Timing-1

**09-02-43** PD  
T. 9 S, R. 23 E, PMM, MT  
sec. 30 LOTS 3,4;  
30 E2SW,SE;  
31 LOTS 1,2;

31 NE,E2NW;  
Carbon 623.38 AC  
Stipulations: CSU-1, Lease  
Notice-4, Timing-1

**09-02-44** PD  
T. 8 S, R. 38 E, PMM, MT  
sec. 12 LOT 7;  
12 NESE;  
13 LOTS 1,4;  
25 LOT 1;  
Big Horn 199.17 AC  
Stipulation: Lease Notice-3

**09-02-48** PD  
T. 7½ S, R. 40 E, PMM, MT  
sec. 34 LOTS 1,2,3,4;  
34 SE;  
35 LOTS 1,2,3,4;  
35 N2S2,SESE;  
36 LOTS 1,2,3,4;  
36 S2;  
Big Horn 1153.45 AC  
Stipulations: CSU-1, Lease  
Notice-3

**09-02-45** PD  
T. 10 S, R. 38 E, PMM, MT  
sec. 1 LOT 9;  
1 NENE;  
Big Horn 77.43 AC  
Stipulation: Lease Notice-3

**09-02-49** PD  
T. 8 S, R. 41 E, PMM, MT  
sec. 17 N2NW;  
20 NWNW;  
Big Horn 120.00 AC  
Stipulations: CSU-1,2, Lease  
Notice-3

**09-02-46** PD  
T. 8 S, R. 39 E, PMM, MT  
sec. 23 N2NW,SENW,N2SE,SWSE;  
24 NE,NENW;  
25 NWNE;  
Big Horn 480.00 AC  
Stipulations: CSU-1, Lease  
Notice-3, NSO-3,4, Timing-1,2

#### NORTH DAKOTA

**09-02-47** PD  
T. 7½ S, R. 40 E, PMM, MT  
sec. 31 LOTS 1,2;  
31 N2SE;  
32 LOTS 1,2,3,4;  
32 N2SW;  
33 LOTS 1,2,3,4;  
33 S2;  
Big Horn 854.49 AC  
Stipulations: CSU-1, Lease  
Notice-3, Timing-1

**09-02-50** PD  
T. 147 N, R. 96 W, 5<sup>th</sup> PM, ND  
sec. 10 SE;  
Dunn 160.00 AC  
Stipulations: Standard, CSU-3

**09-02-51** PD  
T. 146 N, R. 97 W, 5<sup>th</sup> PM, ND  
sec. 4 SWSW;  
10 S2SW,E2SE;  
18 E2;  
Dunn 520.00 AC  
Stipulations: Standard, CSU-3,  
NSO-5,6, Timing-3

**09-02-52** PD  
T. 146 N, R. 98 W, 5<sup>th</sup> PM, ND  
sec. 12 E2E2,SWSE;  
McKenzie 200.00 AC  
Stipulations: Standard, CSU-3

#### STATISTICS

Total Parcels:

52

Total Acreage:	45,763.33
Total Number of Parcels with Presale Offers:	3
Parcel Numbers:	09-02-11
09-02-12	09-02-13
Total Acres with PreSale Offers:	7,440.35

UNITED STATES DEPARTMENT OF THE INTERIOR  
Bureau of Land Management  
P. O. Box 36800  
Billings, Montana 59107

**OIL AND GAS LEASE STIPULATIONS**

**ESTHETICS**--To maintain esthetic values, all surface-disturbing activities, semipermanent and permanent facilities may require special design including location, painting and camouflage to blend with the natural surroundings and meet the intent of the visual quality objectives of the Federal Surface Managing Agency (SMA).

**EROSION CONTROL**--Surface-disturbing activities may be prohibited during muddy and/or wet soil periods.

**CONTROLLED OR LIMITED SURFACE USE STIPULATION** --This stipulation may be modified, consistent with land use documents, when specifically approved in writing by the Bureau of Land Management (BLM) with concurrence of the SMA. Distances and/or time periods may be made less restrictive depending on the actual onground conditions. The prospective lessee should contact the SMA for more specific locations and information regarding the restrictive nature of this stipulation.

The lessee/operator is given notice that the lands within this lease may include special areas and that such areas may contain special values, may be needed for special purposes, or may require special attention to prevent damage to surface and/or other resources. Possible special areas are identified below. Any surface use or occupancy within such special areas will be strictly controlled, or **if absolutely necessary**, excluded. Use or occupancy will be restricted only when the BLM and/or the SMA demonstrates the restriction necessary for the protection of such special areas and existing or planned uses. Appropriate modifications to imposed restrictions will be made for the maintenance and operations of producing oil and gas wells.

After the SMA has been advised of specific proposed surface use or occupancy on the leased lands, and on request of the lessee/operator, the Agency will furnish further data on any special areas which may include:

100 feet from the edge of the rights-of-way from highways, designated county roads and appropriate federally-owned or controlled roads and recreation trails.

500 feet, or when necessary, within the 25-year flood plain from reservoirs, lakes, and ponds and intermittent, ephemeral or small perennial streams; 1,000 feet, or when necessary, within the 100-year flood plain from larger perennial streams, rivers, and domestic water supplies.

500 feet from grouse strutting grounds. Special care to avoid nesting areas associated with strutting grounds will be necessary during the period from March 1, to June 30. One-fourth mile from identified essential habitat of state and federal sensitive species. Crucial wildlife winter ranges during the period from December 1 to May 15, and in elk calving areas during the period from May 1 to June 30.

300 feet from occupied buildings, developed recreational areas, undeveloped recreational areas receiving concentrated public use and sites eligible for or designated as National Register sites.

Seasonal road closures, roads for special uses, specified roads during heavy traffic periods and on areas having restrictive off-road vehicle designations.

On slopes over 30 percent or 20 percent on extremely erodable or slumping soils.

**See Notice on Back**

## NOTICE

**APPLICATIONS FOR PERMIT TO DRILL (APDs)**--The BLM district or resource area offices are responsible for the receipt, processing, and approval of APDs. The APDs are to be submitted by oil and gas operators pursuant to the requirements found in Onshore Oil and Gas Order No. 1 -- Approval of Operations on Onshore Federal and Indian Oil and Gas Leases (Circular No. 2538). Additional requirements for the conduct of oil and gas operations on federal oil and gas leases can be found in Code of Federal Regulations Title 43, Part 3160. Copies of Onshore Oil and Gas Order No. 1, and pertinent regulations, can be obtained from the BLM district offices in which the operations are proposed. Early coordination with these offices on proposals is encouraged.

**CULTURAL AND PALEONTOLOGICAL RESOURCES**--The SMA is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the SMA, shall:

1. Contact the appropriate SMA to determine if a site-specific cultural resource inventory is required. If an inventory is required, then:
2. Engage the services of a cultural resource specialist acceptable to the SMA to conduct a cultural resource inventory of the area of proposed surface disturbance. The operator may elect to inventory an area larger than the area of proposed disturbance to cover possible site relocation which may result from environmental or other considerations. An acceptable inventory report is to be submitted to the SMA for review and approval no later than that time when an otherwise complete application for approval of drilling or subsequent surface-disturbing operation is submitted.
3. Implement mitigation measures required by the SMA. Mitigation may include the relocation of proposed lease-related activities or other protective measures such as testing salvage and recordation. Where impacts to cultural resources cannot be mitigated to the satisfaction of the SMA, surface occupancy on that area must be prohibited.

The lessee or operator shall immediately bring to the attention of the SMA any cultural or paleontological resources discovered as a result of approved operations under this lease, and not disturb such discoveries until directed to proceed by the SMA.

**ENDANGERED OR THREATENED SPECIES**--The SMA is responsible for assuring that the leased land is examined prior to undertaking any surface-disturbing activities to determine effects upon any plant or animal species, listed or proposed for listing as endangered or threatened, or their habitats. The findings of this examination may result in some restrictions to the operator's plans or even disallow use and occupancy that would be in violation of the Endangered Species Act of 1973 by detrimentally affecting endangered or threatened species or their habitats.

The lessee/operator may, unless notified by the authorized officer of the SMA that the examination is not necessary, conduct the examination on the leased lands at his discretion and cost. This examination must be done by or under the supervision of a qualified resources specialist approved by the SMA. An acceptable report must be provided to the SMA identifying the anticipated effects of a proposed action on endangered or threatened species or their habitats.

SPECIAL STIPULATION - BUREAU OF RECLAMATION

To avoid interference with recreation development and/or impacts to fish and wildlife habitat and to assist in preventing damage to any Bureau of Reclamation dams, reservoirs, canals, ditches, laterals, tunnels, and related facilities, and contamination of the water supply therein, the lessee agrees that the following conditions shall apply to all exploration and developmental activities and other operation of the works thereafter on lands covered by this lease:

1. Prior to commencement of any surface-disturbing work including drilling, access road work, and well location construction, a surface use and operations plan will be filed with the appropriate officials. A copy of this plan will be furnished to the Regional Director, Great Plains Region, Bureau of Reclamation, P.O. Box 36900, Billings, MT 59107-6900, for review and consent prior to approval of the plan. Such approval will be conditioned on reasonable requirements needed to prevent soil erosion, water pollution, and unnecessary damages to the surface vegetation and other resources, including cultural resources, of the United States, its lessees, permittees, or licensees, and to provide for the restoration of the land surface and vegetation. The plan shall contain provisions as the Bureau of Reclamation may deem necessary to maintain proper management of the water, recreation, lands structures, and resources, including cultural resources, within the prospecting drilling, or construction area.

Drilling sites for all wells and associated investigations such as seismograph work shall be included in the above-mentioned surface use and operation plan.

If later explorations require departure from or additions to the approved plan, these revisions or amendments, together with a justification statement for proposed revisions, will be submitted for approval to the Regional Director, Great Plains Region, Bureau of Reclamation, or his authorized representative.

Any operations conducted in advance of approval of an original, revised, or amended prospecting plan, or which are not in accordance with an approved plan constitute a violation of the terms of this lease. The Bureau of Reclamation reserves the right to close down operations until such corrective action, as is deemed necessary, is taken by the lessee.

2. No occupancy of the surface of the following excluded areas is authorized by this lease. It is understood and agreed that the use of these areas for Bureau of Reclamation purposes is superior to any other use. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100 percent of the fee mineral interest.

- a. Within 500 feet on either side of the centerline of any and all roads or highways within the leased area.
- b. Within 200 feet on either side of the centerline of any and all trails within the leased area.
- c. Within 500 feet of the normal high-water line of any and all live streams in the leased area.
- d. Within 400 feet of any and all recreation developments within the leased area.
- e. Within 400 feet of any improvements either owned, permitted, leased, or otherwise authorized by the Bureau of Reclamation within the leased area.
- f. Within 200 feet of established crop fields, food plots, and tree/shrub plantings within the leased area.
- g. Within 200 feet of slopes steeper than a 2:1 gradient within the leased area.
- h. Within established rights-of-way of canals, laterals, and drainage ditches within the leased area.
- i. Within a minimum of 500 feet horizontal from the centerline of the facility or 50 feet from the outside toe of the canal, lateral, or drain embankment, whichever distance is greater, for irrigation facilities without clearly marked rights-of-way within the leased area.



- j. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected, Reclamation may consider, on a case-by-case basis, waiving the requirement specified in Section 2 hereof. **HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.**
3. No occupancy of the surface or surface drilling will be allowed in the following areas. In addition to, no directional drilling will be allowed that would intersect the subsurface zones delineated by a vertical plane in these areas. The following restrictions apply only to mineral tracts located within the boundary of a Bureau of Reclamation project where the United States owns 100% of the fee mineral interest.
  - a. Within 1,000 feet of the maximum water surface, as defined in the Standard Operating Procedures (SOP), of any reservoirs and related facilities located within the leased area.
  - b. Within 2,000 feet of dam embankments and appurtenance structures such as spillway structures, outlet works, etc.
  - c. Within one-half (1/2) mile horizontal from the centerline of any tunnel within the leased area.
  - d. Providing that appropriate environmental compliance measures can be ensured, and providing further that Reclamation project works and other public interests can be protected. Reclamation may consider, on a case-by-case basis, waiving the requirements specified in Section 3 hereof. **HOWEVER, LESSEES ARE ADVISED THAT OBTAINING SUCH A WAIVER CAN BE A DIFFICULT, TIME CONSUMING, AND COSTLY PROCESS WITH NO GUARANTEE THAT RECLAMATION WILL GRANT THE REQUESTED WAIVER.**
4. The distances stated in items 2 and 3 above are intended to be general indicators only. The Bureau of Reclamation reserves the right to revise these distances as needed to protect Bureau of Reclamation facilities.
5. The use of explosives in any manner shall be so controlled that the works and facilities of the United States, its successors and assigns, will in no way be endangered or damaged. In this connection, an explosives use plan shall be submitted to and approved by the Regional Director, Great Plains Region, Bureau of Reclamation, or his authorized representative.
6. The lessee shall be liable for all damage to the property of the United States, its successors and assigns, resulting from the exploration, development, or operation of the works contemplated by this lease, and shall further hold the United States, its successors and assigns, and its officers, agents, and employees, harmless from all claims of third parties for injury or damage sustained or in any way resulting from the exercise of the rights and privileges conferred by this lease.
7. The lessee shall be liable for all damage to crops or improvements of any entryman, non-mineral applicant, or patentee, their successors and assigns, caused by or resulting from the drilling or other operations of the lessee, including reimbursement of any entryman or patentee, their successors and assigns, for all construction, operation, and maintenance charges becoming due on any portion of their said lands damaged as a result of the drilling or other operations of the lessee.
8. In addition to any other bond required under the provisions of this lease, the lessee shall provide such bond as the United States may at any time require for damages which may arise under the liability provisions of sections six (6) and seven (7) above.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**LEASE STIPULATIONS**  
BUREAU OF RECLAMATION

The lessee agrees to maintain, if required by the lessor during the period of this lease, including any extension thereof, an additional bond with qualified sureties in such sum as the lessor, if it considers that the bond required under Section 2(a) is insufficient, may at any time require:

(a) to pay for damages sustained by any reclamation homestead entryman to his crops or improvements caused by drilling or other operations of the lessee, such damages to include the reimbursement of the entryman by the lessee, when he uses or occupies the land of any homestead entryman, for all construction and operation and maintenance charges becoming due during such use or occupation upon any portion of the land so used and occupied;

(b) to pay any damage caused to any reclamation project or water supply thereof by the lessee's failure to comply fully with the requirements of this lease; and

(c) to recompense any nonmineral applicant, entryman, purchaser under the Act of May 16, 1930 (46 Stat. 367), or patentee for all damages to crops or to tangible improvements caused by drilling or other prospecting operation, where any of the lands covered by this lease are embraced in any nonmineral application, entry, or patent under rights initiated prior to the date of this lease, with a reservation of the oil deposits, to the United States pursuant to the Act of July 17, 1914 (38 Stat. 509).

As to any lands covered by this lease within the area of any Government reclamation project, or in proximity thereto, the lessee shall take such precautions as required by the irrigation under such project or to the water supply thereof; *provided* that drilling is prohibited on any constructed works or right-of-way of the Bureau of Reclamation, and *provided, further*, that there is reserved to the lessor, its successors and assigns, the superior and prior right at all times to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, and reclamation works, in which construction, operation, and maintenance, the lessor, its successors and assigns, shall have the right to use any or all of the lands herein described without making compensation therefor, and shall not be responsible for any damage from the presence of water thereon or on account of ordinary, extraordinary, unexpected, or unprecedented floods. That nothing shall be done under this lease to increase the cost of, or interfere in any manner with, the construction, operation, and maintenance of such works. It is agreed by the lessee that, if the construction of any or all of said dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone or telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures or reclamation works across, over, or upon said lands should be made more expensive by reason of the existence of the improvements and workings of the lessee thereon, said additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is

(continued on reverse)

made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States, or its successors, constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, appurtenant irrigation structures, or reclamation works, across, over, or upon said lands; *provided, however*, that subject to advance written approval by the United States, the location and course of any improvements or works and appurtenances may be changed by the lessee; *provided, further*, that the reservations, agreements, and conditions contained in the within lease shall be and remain applicable notwithstanding any change in the location or course of said improvements or works of lessee. The lessee further agrees that the United States, its officers, agents, and employees, and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works hereinabove enumerated. Nothing in this paragraph shall be construed as in any manner limiting other reservations in favor of the United States contained in this lease.

THE LESSEE FURTHER AGREES That there is reserved to the lessor, its successors and assigns, the prior right to use any of the lands herein leased, to construct, operate, and maintain dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures, and also the right to remove construction materials therefrom, without any payment made by the lessor or its successors for such right, with the agreement on the part of the lessee that if the construction of any or all of such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or the removal of construction materials therefrom, should be made more expensive by reason of the existence of improvements or workings of the lessee thereon, such additional expense is to be estimated by the Secretary of the Interior, whose estimate is to be final and binding upon the parties hereto, and that within thirty (30) days after demand is made upon the lessee for payment of any such sums, the lessee will make payment thereof to the United States or its successors constructing such dams, dikes, reservoirs, canals, wasteways, laterals, ditches, telephone and telegraph lines, electric transmission lines, roadways, or appurtenant irrigation structures across, over, or upon said lands or removing construction materials therefrom. The lessee further agrees that the lessor, its officers, agents, and employees and its successors and assigns shall not be held liable for any damage to the improvements or workings of the lessee resulting from the construction, operation, and maintenance of any of the works herein above enumerated. Nothing contained in this paragraph shall be construed as in any manner limiting other reservations in favor of the lessor contained in this lease.

To insure against the contamination of the waters of the \_\_\_\_\_ Reservoir, \_\_\_\_\_ Project, State of \_\_\_\_\_, the lessee agrees that the following further conditions shall apply to all drilling and operations on lands covered by this lease, which lie within the flowage or drainage area of the \_\_\_\_\_ Reservoir, as such area is defined by the Bureau of Reclamation:

1. The drilling sites for any and all wells shall be approved by the Superintendent, Bureau of Reclamation, \_\_\_\_\_ Project, \_\_\_\_\_ before drilling begins. Sites for the construction of pipe-line rights-of-way or other authorized facilities shall also be approved by the Superintendent before construction begins.

2. All drilling or operation methods or equipment shall, before their employment, be inspected and approved by the Superintendent of the \_\_\_\_\_ Project, \_\_\_\_\_, and by the supervisor of the U.S. Geological Survey having jurisdiction over the area.

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GPO 854-703

BOR 3109-1

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**09-02-38 09-02-39**

**09-02-40 09-02-41**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**POWERSITE STIPULATION**

The lessee or permittee hereby agrees:

(a) If any of the land covered by this lease or permit was, on the date the lease or permit application or offer was filed, within a powersite classification, powersite reserve, waterpower designation, or project on which an application for a license or preliminary permit is pending before the Federal Energy Regulatory Commission or on which an effective license or preliminary permit had been issued by the Federal Energy Regulatory Commission under the Federal Power Act, or on which an authorized power project (other than one owned or operated by the Federal Government) had been constructed, the United States, its permittees or licensees shall have the prior right to use such land for purposes of power development so applied for, licensed, permitted, or authorized and no compensation shall accrue to the mineral lessee or permittee for loss of prospective profits or for damages to improvements or workings, or for any additional expense caused the mineral lessee as a result of the taking of said land for power development purposes. It is agreed, however, that where the mineral lessee or permittee can make adjustments of his improvements to avoid undue interference with power development, he will be per-

mitted to do so at his own expense. Furthermore, occupancy and use of the land by the mineral lessee or permittee shall be subject to such reasonable conditions with respect to the use of the land as may be prescribed by the Federal Energy Regulatory Commission for the protection of any improvements and workings constructed thereon for power development.

(b) If any of the land covered by this lease or permit is on the date of the lease or permit within a powersite classification, powersite reserve, or waterpower designation which is not governed by the preceding paragraph, the lease or permit is subject to the express condition that operations under it shall be so conducted as not to interfere with the administration and use of the land for powersite purposes to a greater extent than may be determined by the Secretary of the Interior to be necessary for the most beneficial use of the land. In any case, it is agreed that where the mineral lessee or permittee can make adjustments to avoid undue interference with power development, he will be permitted to do so at his own expense.

# **NOTICE TO LESSEE**

## **FUTURE INTEREST PARCEL**

**Parcel No. 09-02-6** is subject to the following terms and conditions:

Prior to the effective date of the future interest lease, the successful bidder will be required to join any existing Federal unit agreement. Prior to the effective date of the future interest lease, or as soon thereafter as practical, the successful bidder will be required to join any existing private unit agreement. If unable to join, a statement giving satisfactory reasons for the failure to enter into such agreement(s) must be filed with the:

Bureau of Land Management  
Chief, Reservoir Management and  
Operations Section  
P.O. Box 36800  
Billings, Montana 59107-6800

If such statement is acceptable, the lessee shall be permitted to operate independently. Where the terms of the private unit agreement are in conflict with Federal regulations, the Federal regulations shall prevail.

Where a parcel is subject to a Federal communitization agreement (CA), the successful bidder will be required to join the Federal CA by joinder prior to the effective date of the lease.

The successful bidder, if not the present operator, is responsible for making a separate agreement with the present operator for compensation for improvements made on the leasehold. The United States will not be a party to, nor be involved in, negotiations for or review of such agreement.

By the effective date of the future interest lease or as soon thereafter as practical, the successful bidder shall furnish a copy of all approved State of Montana permits and other well-related information on all existing wells located on the future interest leased lands to the:

Bureau of Land Management  
Oil and Gas Field Manager  
Miles City Field Office  
111 Garryowen Road  
Miles City, Montana 59301-0940

The information includes but is not limited to applications for permit to drill, well completion reports, sundry notices, and site facility diagrams.

On or after the effective date of the future interest lease, all wells located on the future interest leased lands shall be subject to Federal oil and gas regulations, Federal onshore oil and gas orders, and notices to lessees. Applicable Federal regulations include, but are not limited to, the Oil and Gas Operations Regulations 43 CFR Part 3160 and the Minerals Management Service Regulations concerning Royalty Management 30 CFR Parts 200 through 243.

On or after the effective date of the future interest lease, all wells which share in allocation of production with the future interest lease shall be subject to the Federal oil and gas regulations, Federal onshore oil and gas orders, and notices to lessees as they pertain to production accountability. Applicable regulations are cited above.

Lease operations are expected to be in compliance with all Federal regulations, orders, and notices concerning production accountability on the effective date of the lease. A 90-day grace period will be allowed for compliance with Federal regulations, orders, and notices which are not related to production accountability.

For wells producing on the effective date of the lease and on which royalty is due anywhere on the lease site or allocated to a lease site, the lessee/operator shall notify the Miles City Field Manager not later than the fifth business day after the effective date of the lease by letter, sundry notice (Form 3160-5), or orally followed by a letter or sundry notice, of the date on which such production began, which is the effective date of the lease. For wells not producing on the effective date of the lease, such notification of production is required by no later than the fifth business day after the well begins production (43 CFR 3162.4-1(c)).

On the effective date of the lease, the lessee/operator shall inventory stocks of liquid hydrocarbons on hand and/or install new gas charts. Monthly reports of operations (MROs), Form 3160, are required for all operating leases beginning on the effective date of the lease. The MROs shall be filed on or before the 15<sup>th</sup> day of the second month following the operations month (43 CFR 3162.4-3) with the:

Minerals Management Service  
Minerals Revenue Management  
P.O. Box 17110  
Denver, Colorado 80217-0110

The successful bidder is advised to contact the Miles Field Office at the above address or by telephone at (701) 227-7700, prior to the effective date of the lease so that a courtesy inspection may be conducted to ensure accountability of Federal production and compliance with Federal regulations, orders, and notices.

**BOND INFORMATION:** A lease bond (43 CFR Subpart 3104) in the amount of not less than \$10,000 conditioned upon compliance with all terms and conditions of the lease must be furnished prior to entry and commencement of lease operations. If the lease has a producing well and/or ancillary facilities on the effective date of the lease, a bond or evidence of a sufficient existing Federal oil and gas lease bond is required on the effective date of the lease. If the lease has a Federal Nationwide bond, or a Statewide bond for the State of Montana, no additional bond under the provisions of 43 CFR Subpart 3104 will be required.







## CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints.

Prior to surface disturbance on slopes over 30 percent, an engineering/reclamation plan must be approved by the authorized officer. Such plan must demonstrate how the following will be accomplished:

- Site productivity will be restored.
- Surface runoff will be adequately controlled.
- Off-site areas will be protected from accelerated erosion, such as rilling, gullyng, piping, and mass wasting.
- Water quality and quantity will be in conformance with state and federal water quality laws.
- Surface-disturbing activities will not be conducted during extended wet periods.
- Construction will not be allowed when soils are frozen.

On the lands described below:

For the purpose of:

To maintain soil productivity, provide necessary protection to prevent excessive soil erosion on steep slopes, and to avoid areas subject to slope failure, mass wasting, piping, or having excessive reclamation problems.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>	<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-3	T 1 N, R 24 E, PMM sec 4: LOTS 2,3,4	09-02-35	T 15 N, R 57 E, PMM sec 20: ALL 30: LOTS 2,3,4 30:
09-02-4	T 2 N, R 24 E, PMM  sec 24: NWSW		E2SW,W2SE,SE SE
09-02-9	T 13 N, R 30 E, PMM sec 14: N2N2,SWNW,SWSW,S2SE	09-02-36	T 15 N, R 57 E, PMM sec 26: S2 28: ALL 34: ALL
09-02-29	T 22 N, R 54 E, PMM sec 28: NE,NENW,S2NW,S2 30: LOT 1 34: W2NE	09-02-42	T 9 S, R 22 E, PMM sec 34: E2NE 35: N2
09-02-31	T 14 N, R 56 E, PMM sec 10: ALL 12: SE	09-02-43	T 9 S, R 23 E, PMM sec 30: LOT 4 31: LOTS 1,2 31: NWNE
09-02-32	T 14 N, R 56 E, PMM sec 14: ALL	09-02-46	T 8 S, R 39 E, PMM sec 25: NWNE
09-02-33	T 15 N, R 56 E, PMM sec 26: S2 34: ALL	09-02-47	T 7½ S, R 40 E, PMM sec 32: LOTS 1,2,3,4 33: LOTS
1,2,3,4 09-02-34	T 14 N, R 57 E, PMM sec 6: LOTS 1,2,6,7		33: S2

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-48	T 7½ S, R 40 E, PMM sec 35: LOTS 1,2 35: N2S2,SESE 36: LOTS 1,2,3,4 36: S2
09-02-49	T 8 S, R 41 E, PMM sec 17: N2NW

## CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use is subject to the following special operating constraints.

All surface-disturbing activities, semi-permanent and permanent facilities in VRM Class II, areas may require special design, including location, painting, and camouflage, to blend with the natural surroundings and meet the visual quality objectives for the area.

On the lands described below:

For the purpose of:

To control the visual impacts of activities and facilities within acceptable levels.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-10	T 13 N, R 30 E, PMM sec 26: N2,SE
09-02-33	T 15 N, R 56 E, PMM sec 34: NWNW
09-02-49	T 8 S, R 41 E, PMM sec 17: N2NW 20: NWNW

## CONTROLLED SURFACE USE STIPULATION

Surface occupancy or use would be subject to the following special operating constraint:

No disturbance of riparian areas of wetlands, intermittent, ephemeral, or perennial streams and rivers would be allowed except for essential road and utility crossings.

On the lands described below:

For the purpose of:

Protection of riparian habitat (NDRMP - p. 20).

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-50	T 147 N, R 96 W, 5 <sup>TH</sup> PM sec 10: SE
09-02-51	T 146 N, R 97 W, 5 <sup>TH</sup> PM sec 4: SWSW 10: S2SW,E2SE 18: E2
09-02-52	T 146 N, R 98 W, 5 <sup>TH</sup> PM sec 12: E2E2,SWSE

## LEASE NOTICE

A cultural site exists in the SW of Section 24. Thus, a cultural inventory will have to be done prior to any surface disturbance to determine the significance of the site.

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-4	T 2 N, R 24 E, PMM sec 24: NWSW

## LEASE NOTICE

The Record of Decision for the approved Big Dry Resource Area Management Plan, page 17, states "Where publicly owned minerals underlie privately owned surface, visual protection measures will be recommended to the private surface owner, to be used at their discretion."

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-9	T 13 N, R 30 E, PMM sec 22: E2NE, SESE
09-02-28	T 34 N, R 46 E, PMM sec 7: LOTS 3,4
09-02-33	T 15 N, R 56 E, PMM sec 26: S2

## LEASE NOTICE

The surface Management Agency is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Guidance for application of this requirement can be found in NTL-MSO-85-1.

This notice would be consistent with the present Montana guidance for cultural resource protection related to oil and gas operations (NTL-MSO-85-1).

<u>Parcel No.</u>	<u>Description of Lands</u>	<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-16	T 7 N, R 37 E, PMM sec 2: LOTS 1,2,3,4 2: S2N2,S2 6: LOTS 4,5,6,7,10 6: SWNE,W2SE 12: S2	09-02-44	T 8 S, R 38 E, PMM sec 12: LOT 7 12: NESE 13: LOTS 1,4 25: LOT 1
09-02-17	T 7 N, R 37 E, PMM sec 20: S2N2,N2S2 22: E2 24: S2 26: N2NE,SENE,NENW	09-02-45	T 10 S, R 38 E, PMM sec 1: LOT 9 1: NENE
09-02-31	T 14 N, R 56 E, PMM sec 10: ALL sec 12: ALL	09-02-46	T 8 S, R 39 E, PMM sec 23: N2NW,SENW,N2SE, SWSE 24: NE,NENW 25: NWNE
09-02-32	T 14 N, R 56 E, PMM sec 14: ALL sec 24: NWNE,NENW,W2W2,NWSW	09-02-47	T 7½ S, R 40 E, PMM sec 31: LOTS 1,2 31: N2SE 32: LOTS 1,2,3,4 32: N2SW 33: LOTS 1,2,3,4 33: S2
09-02-33	T 15 N, R 56 E, PMM sec 26: S2 34: ALL	09-02-48	T 7½ S, R 40 E, PMM sec 34: LOTS 1,2,3,4 34: SE 35: LOTS 1,2,3,4 35: N2S2,SESE 36: LOTS 1,2,3,4 36: S2
09-02-34	T 14 N, R 57 E, PMM sec 6: LOTS 1,2,6,7 6: S2NE,E2SE	09-02-49	T 8 S, R 41 E, PMM sec 17: N2NW 20: NWNW
09-02-35	T 15 N, R 57 E, PMM sec 18: LOTS 1,2,3,4 18: E2,E2W2 20: ALL 30: LOTS 2,3,4 30: E2SW,W2SE,SESE		
09-02-36	T 15 N, R 57 E, PMM sec 26: S2 28: ALL 34: ALL		

## LEASE NOTICE

The Natural Resource Conservation Service has identified the soils in this area as having an erosion potential ranging from moderate to severe. Therefore, any disturbance shall be held to a minimum to lessen further sedimentation of the Clarks Fork of the Yellowstone River. Because of the erosiveness of the stream bank soil on Silvertip Creek, no stream bank disturbance will be authorized on BLM surface.

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-43	T 9 S, R 23 E, PMM sec 30: LOTS 3,4 30: E2SW,SE 31: LOTS 1,2 31: NE,E2NW

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## NO SURFACE OCCUPANCY STIPULATION

Surface occupancy and use is prohibited within 1/4 mile of grouse leks.

On the lands described below:

For the purpose of:

To protect the sharptail and sage grouse lek sites necessary for the long-term maintenance of grouse populations in the area.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-7	T 2 N, R 26 E, PMM sec 8: NE

## NO SURFACE OCCUPANCY STIPULATION

Surface occupancy and use is prohibited within riparian areas, 100-year flood plains of major rivers, and on water bodies and streams.

On the lands described below:

For the purpose of:

To protect the unique biological and hydrological features associated with riparian areas, 100-year flood plains of major rivers, and water bodies and streams.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-17	T 7 N, R 37 E, PMM sec 26: N2NE,SENE,NENW
09-02-29	T 22 N, R 54 E, PMM sec 28: NE,NENW,S2NW,S2
09-02-33	T 15 N, R 56 E, PMM sec 26: S2 34: ALL
09-02-35	T 15 N, R 57 E, PMM sec 30: LOTS 2,3,4

## NO SURFACE OCCUPANCY STIPULATION

Surface occupancy and directional drilling are prohibited within the boundaries of existing coal leases.

On the lands described below:

For the purpose of:

To protect lease rights associated with existing coal leases.

**EXCEPTION:** An exception to this stipulation may be granted by the authorized officer if the operator submits a plan of operations which is compatible with existing or planned coal mining operations and is approved by all affected parties.

**MODIFICATION:** The area affected by this stipulation may be modified by the authorized officer if it is determined that the portions of the area are not needed for existing or planned mining operations, or where mining operations have been completed. An agreement approved by all affected parties must be provided to the Authorized Officer.

**WAIVER:** This stipulation may be waived by the authorized officer if it is determined that all coal lease operations within the leasehold have been completed, or if the coal lease is terminated, canceled or relinquished.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820, dependent upon the location of the lease.

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-46	T 8 S, R 39 E, PMM sec 23: N2SE, SWSE 25: NWNE

## NO SURFACE OCCUPANCY STIPULATION

Surface occupancy and use is prohibited within sites or areas designated for conservation use, public use, or sociocultural use.

On the lands described below:

For the purpose of:

To protect those cultural properties identified for conservation use, public use, and sociocultural use. (see definitions for use categories within BLM Manual 3111).

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-46	T 8 S, R 39 E, PMM sec 23: NENW,N2SE,SWSE 24: NE,NENW 25: NWNE

## NO SURFACE OCCUPANCY STIPULATION

No surface occupancy (NSO) or use on federally-designated natural areas, state-designated nature preserves, or state-managed natural areas, as described below for a portion of the Killdeer Mountain State Game Management Area:

For the purpose of:

Protection of Natural Areas (NDRMP - p. 20 and NDRMP Oil & Gas Lease Stipulation and Review Area Maps).

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

Parcel No.	Description of Lands
09-02-51	T 146 N, R 97 W, 5 <sup>TH</sup> PM sec 18: E2

## NO SURFACE OCCUPANCY STIPULATION

No surface occupancy (NSO) or use would be allowed within one-half mile of prairie falcon nests known to be occupied at least once within the previous seven years on the lands described below:

For the purpose of:

Protection of prairie falcon nesting (NDRMP - p. 20)

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulator provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-51	T 146 N, R 97 W, 5 <sup>TH</sup> PM sec 10: S2SW

## TIMING LIMITATION STIPULATION

Surface use is prohibited from December 1 to March 31 within crucial winter range for wildlife. This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

For the purpose of (reasons):

To protect crucial white-tailed deer, mule deer, elk, antelope, moose, bighorn sheep, and sage grouse winter range from disturbance during the winter use season, and to facilitate long-term maintenance of wildlife populations.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>	<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-5	T 2 N, R 25 E, PMM sec 28: NENW	09-02-35	T 15 N, R 57 E, PMM sec 18: LOTS 1,2,3,4 18: E2,E2W2 20: ALL 30: LOTS 2,3,4 30: E2SW,W2SE,SESE
09-02-8	T 2 N, R 26 E, PMM sec 22: SWSW		
09-02-9	T 13 N, R 30 E, PMM sec 10: S2NE,W2NW,NWSW,NWSE 24: E2	09-02-36	T 15 N, R 57 E, PMM sec 26: S2 28: ALL 34: ALL
09-02-10	T 13 N, R 30 E, PMM sec 26: N2,SE	09-02-42	T 9 S, R 22 E, PMM sec 34: E2NE 35: N2
09-02-29	T 22 N, R 54 E, PMM sec 28: NE,NENW,S2NW,S2 30: LOT 1 34: W2NE	09-02-43	T 9 S, R 23 E, PMM sec 30: LOTS 3,4 31: LOTS 1,2
09-02-31	T 14 N, R 56 E, PMM sec 10: ALL 12: ALL	09-02-46	T 8 S, R 39 E, PMM sec 23: N2NW,SESW,N2SE, SWSE
09-02-32	T 14 N, R 56 E, PMM sec 14: ALL 24: NWNE,NENW,W2W2,NESW	09-02-47	T 7½ S, R 40 E, PMM sec 31: LOTS 1,2 31: N2SE 32: LOTS 1,2,3,4 32: N2SW 33: LOTS 1,2,3,4
09-02-33	T 15 N, R 56 E, PMM sec 26: S2 34: ALL		
09-02-34	T 14 N, R 57 E, PMM sec 6: LOTS 1,2,6,7 6: S2NE,E2SE		

## TIMING LIMITATION STIPULATION

Surface use is prohibited from March 1 to June 15 in grouse nesting habitat within 2 miles of a lek. This stipulation does not apply to the operation and maintenance of production facilities.

On the lands described below:

For the purpose of (reasons):

To protect sharptail and sage grouse nesting habitat from disturbance during spring and early summer in order to maximize annual production of young and to protect nesting activities adjacent to nesting sites for the long-term maintenance of grouse populations in the area.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-5	T 2 N, R 25 E, PMM sec 28: NENW
09-02-6	T 2 N, R 26 E, PMM sec 3: S2
09-02-7	T 2 N, R 26 E, PMM sec 8: NE,SW
09-02-8	T 2 N, R 26 E, PMM sec 22: SWSW
09-02-9	T 13 N, R 30 E, PMM sec 24: SE
09-02-16	T 7 N, R 37 E, PMM sec 6: LOTS 4,5,6,7,10 6: SWNE,W2SE
09-02-46	T 8 S, R 39 E, PMM sec 24: NE,NENW 25: NWNE



## **TIMING LIMITATION STIPULATION**

No surface use (NSU) would be allowed within one-half mile of occupied prairie falcon nests during the following time period: March 15 to July 15. This stipulation does not apply to operation and maintenance of production facilities.

On the lands described below:

For the purpose of:

Protection of prairie falcon nesting (NDRMP - p. 20).

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

<u>Parcel No.</u>	<u>Description of Lands</u>
09-02-51	T 146 N, R 97 W, 5 <sup>TH</sup> PM sec 10: S2SW